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ABSTRACT

With the passage of federal welfare reform in 1996, accountability for the well-being of low-income families has shifted substantially from the federal government to the states, making it increasingly important to assess the economic well-being of children at the state level. This research brief examines the differences in poverty rates for children under age 6 among the 50 states and the changes that have taken place between 1979-1983 and 1992-1996. The brief provides baseline information on state young child poverty rates to help establish a context in which individual state child poverty trends can be better understood. Findings show considerable variation among the states' young child poverty rates; ten states have experienced significant changes in these rates since the period 1979-1983. Changes in three demographic factors--parental employment, family structure, and employment patterns, and parental education --explained a notable proportion of the changes in state young child poverty. (JPB)

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Young Child Poverty in the States—Wide Variation and Significant Change

by

Neil G. Bennett and Jiali Li

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Early Childhood Poverty

RESEARCH BRIEF 1

Young Child Poverty in the States—Wide Variation and Significant Change

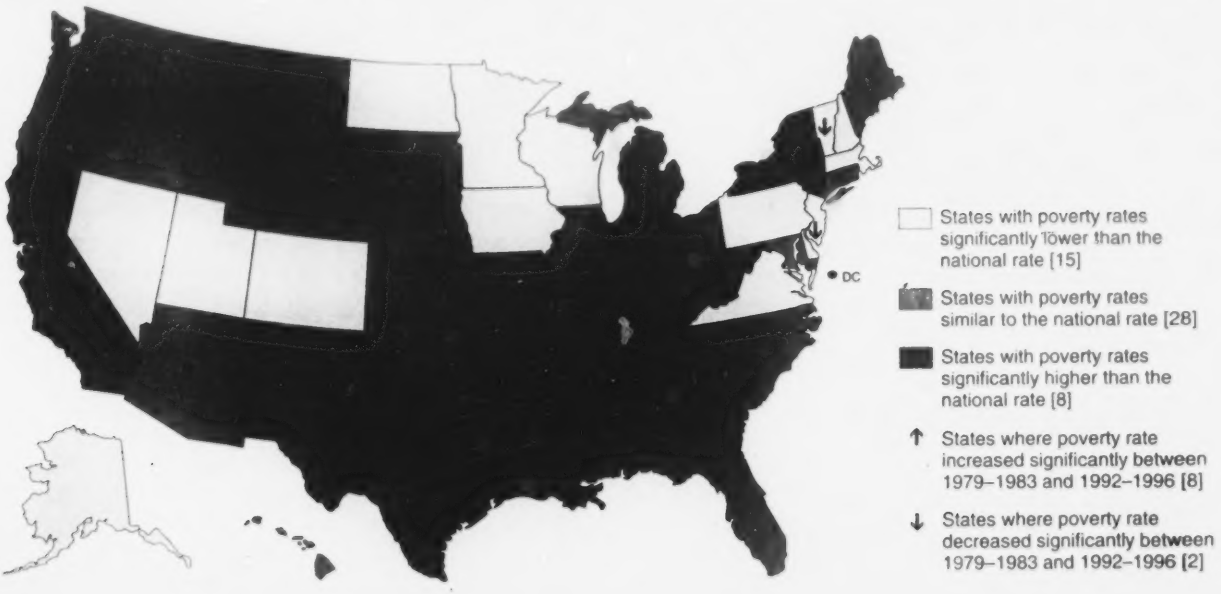
Young Child Poverty in the States: Wide Variation and Significant Change examines the differences in poverty rates for children under age six among the 50 states and the changes that have taken place between 1979–1983 and 1992–1996. The poverty rates are based on data from the Current Population Survey of the U.S. Bureau of the Census, with 1996 being the most recent year for which poverty data have been collected. (Five years of data are aggregated to increase the statistical reliability of the poverty estimates.) This research brief summary provides baseline information on state young child poverty rates to help establish a context in which individual state child poverty trends can be better understood as we enter a new era of increased state responsibility for children's well-being.[1]

Highlights from the research brief include the following:

Rates of Poverty, Extreme Poverty, and Near Poverty Among the States

State young child poverty rates (YCPRs) range from under 12 percent in New Hampshire and Utah to 40 percent or more in Louisiana and West Virginia.[2] The District of Columbia and seven states—the large states of California, New York, and Texas, plus Louisiana, Mississippi, New Mexico, and West Virginia—have young child poverty rates that significantly exceed the 1992–1996 national rate of 24.7 percent. Fifteen states have rates of poverty that are significantly lower than the national rate.

Poverty rates of children under age six, by state, 1992–1996


DC
States with poverty rates significantly lower than the national rate [15]
States with poverty rates similar to the national rate [28]
States with poverty rates significantly higher than the national rate [8]
↑ States where poverty rate increased significantly between 1979–1983 and 1992–1996 [8]
↓ States where poverty rate decreased significantly between 1979–1983 and 1992–1996 [2]

[1] For example, states have vastly increased responsibility for welfare legislation. A key provision of the 1996 federal welfare overhaul (The Personal Responsibility and Work Opportunity Reconciliation Act) requires each state to provide an annual current estimate of its child poverty rate by May 31st, starting in 1998. If that rate exceeds the previous year's rate by more than five percent, and this increase can be attributed to the effects of welfare reform, then the state must submit a corrective action plan. The logic of this requirement is clear. Two-thirds of welfare recipients are children, and welfare reform cannot be deemed a success if it leads to higher child poverty rates. At this writing, the Federal government is still in the process of determining the methodologies necessary for the states to fulfill the obligations outlined for them in the welfare reform act.

[2] Poverty, extreme poverty, and near poverty are defined as living in families with incomes below 100 percent, 50 percent, and 185 percent of the poverty line, respectively. In 1996, the official federal poverty line was $16,036 for a family of four and $12,516 for a family of three. The YCPR is the percentage of children under age six who live in families with incomes below the poverty line.

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Extreme poverty among young children varies to an even greater extent across the states. Eight states and the District of Columbia (including the large states of Florida, New York, and Texas) have extreme poverty rates that are significantly higher than the U.S. average of 11.7 percent. Rates are significantly lower than the U.S. average in fifteen states.

The near poverty rate among young children ranges from less than 30 percent in Massachusetts and New Jersey to greater than 60 percent in Mississippi, West Virginia, and the District of Columbia. Eleven states—including California, Florida, and Texas—and the District of Columbia have near poverty rates that are significantly higher than the national average of 44.2 percent, whereas 12 states have rates that are significantly lower than the national rate.

Changes in State Poverty from 1979–1983 to 1992–1996

Nationally, the YCPR climbed from 22.0 to 24.7 percent between 1979–1983 and 1992–1996, an increase of 12 percent. The number of young children in poverty grew from an average of 4.4 million to 5.9 million over that same period. More than half of the total increase (773,000) in the number of poor young children can be attributed to the nation's three most populous states: California, New York, and Texas. Each of the these states experienced disproportionately steep rises in its young child poverty rate (YCPR) over the last two decades and now has a significantly higher rate of young child poverty than the nation as a whole. Collectively, these three states had 28 percent of the children under age six, yet they accounted for 53 percent of the increase in the number of poor young children. Five smaller states also experienced statistically significant increases in their YCPRs, including Oklahoma (53 percent), Montana (51 percent), Arizona (46 percent), West Virginia (45 percent), and Louisiana (40 percent). Two states experienced significant decreases of over 25 percent: New Jersey (26 percent) and Vermont (39 percent).

Overall, the YCPR increased by more than 20 percent in 15 states and fell by more than 20 percent in five states; however, due to sample sizes the trends can only be deemed statistically significant in ten states. The fact that only ten states show statistically significant changes does not imply that other states' YCPRs did not change, even dramatically. For many states the number of individuals interviewed by the Census Bureau was simply insufficient to draw such a conclusion.

Why Do State Poverty Trends Differ?

NCCP's research brief identifies three key demographic factors that help to explain the differences among the states in the growth of their YCPRs between 1979–1983 and 1992–1996—the proportions of children who have: (1) at least one parent employed full-time (parental employment), (2) single mothers (family structure), and (3) mothers who lack a high school diploma (parental education).

Variation also existed in the changes of the proportion of mothers who completed high school. The proportion increased nationally by five percent, but increases were much more pronounced in Mississippi (19 percent), Arizona (17 percent), and Indiana (16 percent). The proportion actually decreased in the District of Columbia (-7 percent) and seven states, including Montana (-6 percent) and California (-3 percent).

The nationwide proportion of young children with single mothers grew by 25 percent. However, the increase varied from more than three-quarters in New Mexico (99 percent), Kentucky (88 percent), Montana (84 percent), and Nebraska (77 percent), and to negative values in New Jersey (-15 percent), Arkansas (-6 percent), Maryland (-4 percent), and the District of Columbia (-3 percent).

Although the employment scene generally improved for the nation over this time period, with a three percent increase in the proportion of young children with at least one parent employed full-time, the situation differed dramatically among the states. The employment environment for parents of young children deteriorated in the District of Columbia (-18 percent) and in many states, including New Hampshire (-14 percent) and Connecticut (-13 percent). At the opposite end of the spectrum, six states saw improvements of 15 percent or more—Delaware (15 percent), Washington (15 percent), Virginia (16 percent), Arizona (17 percent), Hawaii (21 percent), and Alaska (48 percent).

NCCP's statistical analyses (details of which are available on request) find that changes in family structure, parental education, and parental employment variables account for all of the change in the YCPR in seven states and none of the change in 12 states. The median percentage of the change in the YCPR that is explained by change in these demographic variables is substantial—30 percent. NCCP's analysis suggests that all three factors combine to influence rates of states' growth in the YCPR and that policy makers would do well to recognize that multiple demographic, economic, and policy variables are behind state child poverty trends. In collaboration with other researchers, NCCP plans to examine these factors in greater depth over the next year.

Change in the percentage and number of children under age six in poverty, by state, 1979–1983 to 1992–1996

	1979–1983		1992–1996		% Change	Change in
	Rate	Number	Rate	Number	in rate	number
USA	***22.04***	***4,420,791***	***24.67***	***5,877,075***	***12***	***1,456,284***
Connecticut	14.75	30,440	23.96	67,250	62	36,810
Wyoming	12.50	6,075	19.38	7,710	55	1,635
Oklahoma	**20.94**	**54,643**	**32.03**	**92,384**	**53**	**37,741**
Montana	**17.22**	**14,626**	**25.95**	**20,019**	**51**	**5,393**
Arizona	**19.76**	**49,025**	**28.89**	**124,350**	**46**	**75,325**
West Virginia	**27.65**	**48,739**	**39.99**	**47,962**	**45**	**-777**
Louisiana	**29.14**	**133,557**	**40.65**	**158,447**	**40**	**24,890**
Kentucky	21.37	73,950	29.37	90,042	37	16,092
District of Columbia	33.09	13,791	44.17	23,424	33	9,632
Maryland	13.94	40,545	18.57	94,425	33	53,879
Texas	**24.39**	**358,482**	**30.27**	**572,180**	**24**	**213,698**
California	**23.40**	**516,759**	**28.97**	**950,269**	**24**	**433,510**
Missouri	19.38	81,911	23.95	102,202	24	20,291
New York	**23.75**	**338,754**	**28.76**	**464,551**	**21**	**125,797**
Minnesota	14.30	55,640	17.19	68,142	20	12,503
Ohio	19.55	188,078	23.06	223,470	18	35,392
New Mexico	28.82	39,598	33.99	58,049	18	18,450
North Carolina	20.90	94,869	24.59	144,267	18	49,398
Nevada	14.22	10,790	16.63	20,938	17	10,148
North Dakota	14.79	9,744	17.26	8,613	17	-1,131
Michigan	22.82	188,947	25.75	225,755	13	36,809
Maine	20.20	18,634	22.45	19,567	11	933
Massachusetts	14.99	66,137	16.65	84,557	11	18,420
Wisconsin	14.60	64,074	16.16	73,080	11	9,006
New Hampshire	10.85	7,761	11.85	12,236	9	4,475
Georgia	21.93	107,270	23.74	152,241	8	44,971
Kansas	18.84	41,567	20.23	50,245	7	8,678
Illinois	23.27	232,025	24.27	271,889	4	39,864
Indiana	20.60	107,121	21.47	118,010	4	10,889
Colorado	16.66	43,763	17.23	55,659	3	11,896
Iowa	16.64	41,564	17.09	45,228	3	3,664
Florida	26.35	199,106	26.55	313,231	1	114,125
Washington	18.31	69,858	18.44	89,168	1	19,310
Oregon	20.34	50,535	20.13	51,635	-1	1,101
Nebraska	19.42	29,290	18.71	29,478	-4	188
Tennessee	28.90	114,313	27.83	123,466	-4	9,153
Virginia	18.41	79,434	17.43	92,544	-5	13,110
Mississippi	38.01	87,044	35.49	86,319	-7	-726
South Carolina	25.90	88,330	23.99	74,702	-7	-13,628
Arkansas	30.04	60,633	27.02	59,990	-10	-643
Pennsylvania	20.60	179,593	18.38	179,569	-11	-23
Idaho	24.59	26,458	21.74	22,397	-12	-4,061
South Dakota	24.94	18,767	21.92	13,437	-12	-5,330
Rhode Island	24.47	16,862	20.39	15,266	-17	-1,596
Hawaii	22.03	20,490	18.35	19,015	-17	**-1,475**
Utah	14.14	32,778	11.36	26,338	-20	-6,440
Alabama	32.46	118,385	25.86	100,936	-20	-17,449
Alaska	18.01	9,452	13.78	8,749	-23	-703
Delaware	20.07	10,709	15.27	8,750	-24	-1,959
New Jersey	**20.88**	**119,125**	**15.37**	**107,412**	**-26**	**-11,713**
Vermont	**21.91**	**10,754**	**13.31**	**7,521**	**-39**	**-3,233**

* States in bold letters had significantly positive or significantly negative growth as indicated. Other states may have had similar changes but because of small sample sizes these changes are not considered statistically significant at a 90 percent confidence interval.

Conclusion

The dramatic state variation in both the levels of the YCPR and their rate of growth over time underscores the importance of focusing upon poverty at the state level. The analyses described here also suggest the difficulty, given current data sources, of meeting the requirements of the 1996 federal welfare reform to track annual changes of as little as five percent in state YCPRs. Substantially larger samples of state populations will be needed to measure meaningful differences in state poverty rates obtained from two adjacent years of data. While methodological advances are needed to track poverty in the states on a year-to-year basis, this challenge cannot be allowed to discourage a vigorous national debate about how to address the problem of widespread young child poverty in a time of growing national prosperity. NCCP hopes that this publication will focus greater attention on young child poverty within individual states and also help to encourage a "race to the top" among the states to find the most effective strategies to prevent young child poverty.

This document summarizes Early Childhood Poverty Research Brief 1: *Young Child Poverty in the States: Wide Variation and Significant Change*. Copies of the full publication are available for $5.00 each from the National Center for Children in Poverty, Columbia School of Public Health, 154 Haven Avenue, New York, NY 10032; Tel: (212) 304-7100; Fax: (212) 544-4200 or 544-4201; E-mail: nccp@columbia.edu. Checks should be made payable to Columbia University.

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Early Childhood Poverty Research Series

This research brief series has been established to present timely research findings on the nature, scope, and impact of young child poverty in the United States, primarily based on analyses by the National Center for Children in Poverty (NCCP). This series will explore the causes and consequences of young child poverty as well as identify promising strategies to reduce the incidence of young child poverty. As with much of NCCP's work, there will be a strong state and local focus on young child poverty and related issues.

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NATIONAL CENTER FOR CHILDREN IN POVERTY (NCCP) was established in 1989 at the School of Public Health, Columbia University, with core support from the Ford Foundation and the Carnegie Corporation of New York. The Center's mission is to identify and promote strategies that reduce the number of young children living in poverty in the United States, and that improve the life chances of the millions of children under age six who are growing up poor.

The Center:

- Alerts the public to demographic statistics about child poverty and to the scientific research on the serious impact of poverty on young children, their families, and their communities.
- Designs and conducts field-based studies to identify programs, policies, and practices that work best for young children and their families living in poverty.
- Disseminates information about early childhood care and education, child health, and family and community support to government officials, private organizations, and child advocates, and provides a state and local perspective on relevant national issues.
- Brings together public and private groups to assess the efficacy of current and potential strategies to lower the young child poverty rate and to improve the well-being of young children in poverty, their families, and their communities.
- Challenges policymakers and opinion leaders to help ameliorate the adverse consequences of poverty on young children.